RV BUSINESS

MARCH 1986 $2

HOW DOES YOURS MEASURE UP?

The First Annual Salary Survey of the

RV BUSINESS

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Letters

BRAVO!

I received your *RV Business* magazine, and I very much appreciated the beautiful pictures and the original way of showing our ideas *(see "The Future of RV Design," November '85).*

I send you my best congratulations for your initiative, and I remain with my kindest regards.

G.B. Panicco
Carrozzeria Bertone SpA
Public Relations Department
Torino, Italy

Our company has received your magazine for one full year. This magazine has been very helpful regarding parts; also, your articles are very interesting.

As long as I am in the RV business, I will continue to subscribe to your magazine.

Otto Fiala
Southeast RV
Maple Heights, Ohio

MORE ABOUT. . ..

I would like to see more about the motorhome and tent-trailer rental business. Articles are few and far between. They're the biggest thing happening in the RV business.

Lee Fogel
Anytime Motor Home Rentals
Las Vegas, Nevada

How about an article on closing on payment buyers? And how about covering the payment factor as a closing tool?

Sandy Lee
Burt Subaru
Englewood, Colorado

Please send a list of the Dealer of the Year winners. I would like to utilize these dealers as a reward for their efforts.

Skip Wood
Graeagle, California

The list is on its way, Skip. Watch for details on this year's contest coming soon in our sister publications, Trailer Life, MotorHome and Hi-Way Herald.

CORRECTION

On page 46 of the December '85 issue of RVB, a chart accompanying the article, "The Overseas RV Market," contained some incorrect totals. Below is a corrected reprint of that chart:

Overseas RV Market Statistics 1983/84

	1983			1984		
	Tourers (All towables)	Motorized	TOTAL	Tourers (All towables)	Motorized	TOTAL
Belgium	3,500	100	3,600*	‡	‡	‡
Denmark	4,076*	‡	4,076*	3,448*	‡	3,448*
Eire	3,000*	‡	3,000*	‡	‡	‡
Finland	2,967	50	3,017	3,395	100*	3,495*
France	56,527*	4,099	60,626	47,203	3,922	51,125
Italy	25,790	4,715	30,505	‡	‡	‡
Netherlands	18,502	‡	18,502*	‡	‡	‡
Norway	5,434	‡	5,434*	6,620	‡	6,620*
Sweden	6,373	190*	6,563	6,907	300*	7,207*
Switzerland	2,072	425	2,497	‡	‡	‡
United Kingdom	27,022	2,116	29,138	‡	2,322	2,322*
United States	127,500	69,500	197,000	133,300	82,000	215,300
West Germany	30,250	7,010	37,260	28,495	6,034	34,529

The above figures are not strictly comparable because they are based upon differing sources. These sources are production, registrations, sales and production plus imports minus exports. European figures courtesy of European Caravan Federation; United States figures courtesy of Recreation Vehicle Industry Association.
‡ Statistics Not Available
** Estimates*

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FiscaLine

JOHN THOMPSON

FLEETWOOD'S QUARTER

Fleetwood's preliminary sales for the third fiscal quarter ended January 26, 1986, were approximately $263 million, a decline of 8 percent from the $287.8 million in sales recorded in last year's third quarter. Sales for nine months totaled about $889 million, down 6 percent from the $944.5 million achieved in the same period last year. RV sales for the third quarter totaled approximately $139 million, down 25 percent from the $185.7 million in sales reported last year. The company indicated that the quarterly RV sales decline was attributable to decreased motorhome sales. In the current period, motorhome sales amounted to approximately $86 million compared to the $138.7 million reported in last year's unusually strong third quarter. Motorhome revenues last year, however, included a special order valued at $64.5 million from a company dealer for ultimate use by U-Haul International in its motorhome rental fleet. Travel trailer sales during the quarter increased 13 percent, increasing to about $53 million from last year's $47 million. For the nine months, RV sales totaled approximately $468 million, a decline of 13 percent from the $560.9 million registered in the comparable period of fiscal 1985.

WINNEBAGO'S QUARTER

Winnebago Industries reported sales of $81.6 million for the 13 weeks ended November 30, 1985, compared to sales of $95.3 million for the same period of 14 weeks one year ago. Net earnings for the quarter totaled $713,000, or three cents per share, vs. net income of $5.6 million, or 22 cents per share, for the same quarter last year. In making the announcement, Winnebago Chairman John K. Hanson attributed the reduction in sales to the lessened demand for motorhomes, which the RV industry experienced this fall. "Earnings were adversely affected by lower production and sales volume, and by discounts to clean up inventories of 1985 models," Hanson said. "Based upon current conditions, improvement in our business is not expected until spring 1986, when anticipated favorable interest rates and motor fuel prices should have a beneficial impact on our spring and summer market," Hanson explained.

ZIMMER LOSSES FORCE MOBILE TRAVELER SALE

Zimmer Corporation sales for the third quarter ended October 5, 1985, were $39.1 million, down 6 percent from the $41.4 million in sales registered in the previous year's third quarter. Net declined 112 percent to a loss of $43,000 from the previous year's third-quarter profit of $345,000. Nine months' net sales were $114 million, down 12 percent from the $130 million reported in 1984's nine-month period. Net declined 219 percent to a loss of $1.8 million. The company announced that its Mobile Traveler division will be closed and offered for sale in an effort to reverse the overall losses sustained in recent times. *(See page 83 for details.)*

THOR GAINS

For its first quarter ended October 31, 1985, Thor reported sales of $32.7 million, up 42 percent from the previous year's first quarter sales of $23.1 million. Net also rose 30 percent to $1.5 million vs. $1.1 million in the 1984 first quarter. According to Wade F.B. Thompson, president and CEO, "Each division achieved record sales and earning for the quarter. Dealer inventories are at satisfactory levels, and retail sales of our products continue to outperform the industry." Thor recently acquired Traveleze, a California trailer manufacturing company.

IN BRIEF

Carriage Industries Incorporated, a maker of carpeting for RVs and homes, announced that net sales for the second quarter ended December 29, 1985, increased 9.5 percent to $17.8 million compared with $16.2 million in the second quarter of fiscal 1985. For the first half of fiscal 1986, net sales increased 3.2 percent to $36.5 million as against $35.3 million in the first six months of fiscal 1985. **Bell Industries** reported sales of $68.7 million for its second fiscal quarter ended December 31, 1985, compared with $72.5 million a year earlier. For the six months, sales were $143.8 million vs. $152.1 million. Δ

RV Shipment Historical Review By Category

Year	(All) Travel Trailers	Folding Camping Trailers	Truck Campers	Motorhomes Type A	Motorhomes Type B	Motorhomes Type C	Yearly Total
1972	250.8	110.2	105.1	64.6	23.8	28.4	582.9
1973	212.3	97.7	89.8	65.3	27.0	36.7	528.8
1974	126.3	55.2	45.4	26.7	20.8	21.4	295.8
1975	150.6	48.1	44.3	30.3	26.4	39.9	339.6
1976	189.7	53.3	42.0	45.2	36.1	74.8	441.1
1977	167.9	53.9	31.9	43.0	40.8	76.4	413.9
1978	159.8	48.2	24.7	46.6	19.5	91.1	389.9
1979	90.2	31.1	13.8	21.5	3.4	39.2	199.2
1980	52.0	24.5	5.0	9.8	2.4	16.4	110.1
1981	63.8	35.0	5.1	14.3	3.8	17.3	139.2
1982	65.5	34.3	5.7	19.3	3.9	18.0	146.7
1983	90.0	37.5	6.8	34.4	5.6	30.5	203.8
1984	92.4	40.9	7.6	42.1	7.1	32.8	222.9
1985	84.2	34.9	6.7	35.4	6.7	31.4	199 3
1986	92.7	37.5	7.1	39.7	7.3	37.5	221.8
1987	99.1	42.2	7.9	42.9	7.9	42.9	242.9

Actual
Forecast

Source: RV Roadsigns, a quarterly forecast of deliveries of family camping vehicles to RV retailers prepared for members of the Recreation Vehicle Industry Association by John W. DeWolf, economic consultant.

Before joining RVB as the news editor, John Thompson's byline was widely recognized in all TL publications, including the Book Division. Previously, he was an investment banker with a New York Stock Exchange member firm. He specialized in corporate finance, mergers and acquisitions. He was also a principal in a federally chartered small-business investment company, which funded numerous companies during their transitional stages. In addition to writing regularly for all TL publications, Thompson is the editor and publisher of TL Enterprises' semi-monthly business newsletter, RV Barometer.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	69	70	− 1%	1,310	1,306	+<.05%	52	51	+ 2%	988	1,058	− 6%
TRAVEL TRAILERS	59	42	+40%	1,037	1,057	− 2%	49	40	+23%	947	997	− 5%
TRUCK CAMPERS	13	13	same	205	196	+ 5%	9	8	+13%	158	217	−27%
CAMPING TRAILERS	17	20	−15%	1,495	1,550	− 4%	3	6	−50%	311	246	+26%
FIFTH-WHEELS	20	29	−31%	333	379	−12%	7	6	+17%	103	97	− 6%

	FOR MONTH			YEAR-TO-DATE		
	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$5,549,284	$5,575,894	−<.05%	$102,821,449	$102,036,445	−<.01%
TOTAL UNIT SALES	298	285	+5%	6,887	7,100	−3%
NEW UNIT SALES	178	174	+2%	4,380	4,488	−2%
USED UNIT SALES	120	111	+8%	2,507	2,612	−4%

For the Dealer Advisory Board (DAB), the year ended in a photo finish with 1984. Sales volume figures for the two years differed less than 1 percent. Unit sales, both new and used, were down just slightly.

December ended much like last year. Total sales volume ended up with less than 0.5 percent difference for the two Decembers; unit sales were up slightly.

Profits were rated the lowest for any month of the year, a typical situation at this time as dealers try to get rid of their most unwanted inventory.

Given the factors of a slightly expanding economy, a low rate of inflation, relatively low and stable interest rates, no oil problems in the foreseeable future and an increasing public awareness of the joys of the RV lifestyle, 1986 should be a decent year for the industry.

Some dealer-inundated areas are really feeling the pinch both in terms of unit sales and particularly in low grosses. Growth in both the number and size of RV manufacturers will undoubtedly exacerbate that situation.

MOTORHOMES

New motorhomes sales in December were down only one unit from the previous December. Used units were up by one. Profits were rated fair to poor, reflecting a "let's get some of those things off flooring" attitude.

For the DAB, 1985 was a repeat of 1984. New-unit sales totals differed by only four units (up less than 1 percent); used units fell slightly. Among individual dealers, there were some considerable increases or decreases.

TRAVEL TRAILERS

Trailers ended the year on a very positive note. New-unit sales in December were up 40 percent for the DAB, and used increased 23 percent. Although profit ratings varied from poor to good, nearly half were good.

Travel trailer sales were disappointing most months of 1985. Recently, however, things have picked up for a few dealers and the averages have come up. Indications are that '86 will be a better year for trailer sales than '85.

TRUCK CAMPERS

In new-unit sales, December '85 was the same as December '84 and all were sold by the same dealer—a camper specialist. Profits were rated excellent. Used units sales fell by one.

New DAB camper sales for the year were up slightly over the previous year. Used sales were down considerably.

There is no reason to believe that camper sales will decline in the coming year. There are, however, several good reasons why they should pick up—not the least of which is the fact that there are a lot of pickups on the road and a camper costs less than a motorhome.

CAMPING TRAILERS

It is axiomatic that fold-down sales boom in June and die in December. This December was exceptional only in that sales were a little deader than they were last December. It is also a given that December profits are poor—a tenet proved true again this year.

Although there are no indications that the coming year will be any better for fold-downs, neither is there any evidence that sales will decline.

FIFTH-WHEELS

Fivers hit a serious snag in December in terms of percentage of decline; the unit numbers aren't impressive. Profits were rated fair to good.

Speculation as to the reason for the decline in this particular RV type would have to include the fact that fifth-wheel trailers are very popular with rural people. Unfortunately, farmers have taken their lumps in the last two or three years.

There are plenty of retirees, however, who can afford fifth-wheels, so there's no reason to believe that sales will suffer in the long run. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, DECEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during December 1985 was 23,100 units, down 10.5% from December 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Dec. 1985		Dec. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	2,400	2,600	– 7.7%	54,700	65,600	– 16.6%
PARK MODELS	500	600	– 16.7%	7,500	7,200	+ 4.2%
FIFTH-WHEELS	1,200	1,100	+ 9.1%	20,700	19,600	+ 5.6%
TRUCK CAMPERS	300	300	0%	6,900	7,600	– 9.2%
MULTI-USE VEHICLES	12,900	13,300	– 3.0%	164,800	175,300	– 6.0%
TYPE A: MOTOR-HOMES	1,800	3,200	– 43.8%	33,600	42,100	– 20.2%
TYPE B: VAN CAMPERS	500	500	0%	6,700	7,100	– 5.6%
TYPE C: MINI MOTOR-HOMES	1,100	1,700	– 35.3%	28,400	32,800	– 13.4%
FOLDING CAMPING TRAILERS	2,400	2,500	– 4.0%	35,900	40,900	– 12.2%
TOTALS	23,100	25,800	– 10.5%	359,200	398,200	– 9.8%

First Annual RV Industry

SALARY SURVEY

How does your compensation package compare?

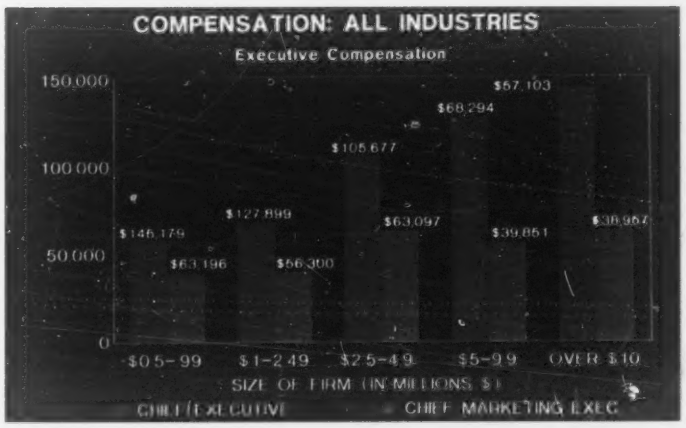
WALTER WENTZ

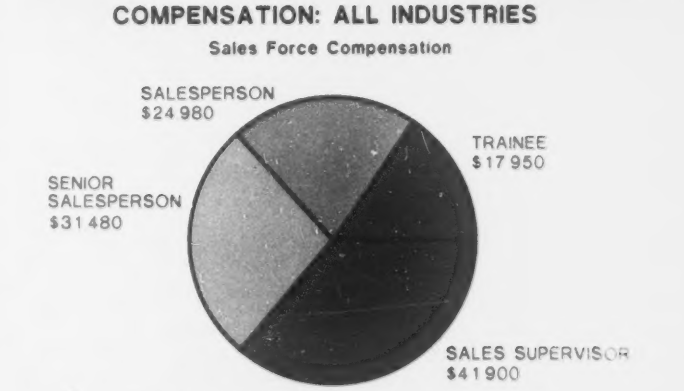
The average American family consists of 3.26 members, earns $24,580 per year, owns 1.29 automobiles, is white, Protestant, and does not vote the straight Republican ticket (1983 data), according to the United States Bureau of the Census. That is a statistically accurate description. It is also pure fiction, for the "average" American family does not exist.

An average, in the jargon of statisticians, is a "measure of central tendency." It is a middle position—sort of a bench mark against which we can judge other objects. Presumably, the objects you are going to judge against our averages are the salaries, commissions and compensation packages you provide your employees.

This article presents a number of averages. The purpose of the survey on which they are based is to provide RV company managers, such as you, with some insight into the wage and salary structure of this industry. Here, industry norms of material compensation are reported without attempting to establish standards.

Table 1





Sources: 1 Inc., Sept. 1985, p. 68.
2 Sales & Marketing Management, Feb. 20, 1984, p. 60, for consumer goods firms.

Material compensation is only one, albeit generally the most important, of the incentives that motivates the work force. Other factors include a feeling of belonging and of doing useful work, confirmation of self-worth, avoidance of boredom, hours of freedom from the house and the family, social contact, friendships, power and recognition. Not only do such incentives get people into the office or plant, but they also influence the workers' affiliation with a particular firm.

Why should you worry about compensation and what your competitor down the street is paying his employees? First, if the compensation is too low, you will lose good people to your rivals. Second, if it is too far above what your competitors are paying, it will lead to higher costs, hence higher prices and fewer sales, shrinking profits that could be used for research or plant renewal necessary to its survival.

With all that in mind, 1600 questionnaires were mailed

GRAPHICS: CUSTOM COLOR VISUALS

SALARY SURVEY *continued*

to a random sample of manufacturers, dealers and suppliers in the RV industry. Of those, 152 were properly completed and returned. Answered anonymously, the questionnaires provided the raw data for the summary statistics shown in this article's tables. Where the statistical sample was too small to be reliable, as with dealers reporting between $8 million and $14.9 million in sales, the tables have been omitted. Salaries, wages and fringe benefits were estimated from the samples representing the populations from which they were drawn.

As with all sample surveys, there is bound to be a bit of error. The data contains random error, which is due to the fact that the samples may not be a mirror image of the populations.

Table 2

DEALERS: UNDER $1 MILLION

(a) MONETARY COMPENSATION

	AVERAGES		
	Salary	Bonus	Total Compensation*
President/Owner	$31,220	$15,720	$35,090
General Manager	24,880	2,500	25,590
Sales Manager	27,090	10,500	29,190
F & I Manager	14,450	10,930	25,380
Service Manager	19,600	4,940	21,350
Parts Manager	15,770	5,480	17,950
Line Mechanic	15,500	600	15,555
Clerk	10,600	5,531	10,990
Lot Staffer	8,390	‡	8,390

	AVERAGES		
	Commission Rate†	Salary	Total Compensation*
Salesperson	18%	$12,650	$25,270

†*of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Equity	8%	0%	4%	0%
Medical Insurance	73%	69%	62%	54%
Pension	19%	15%	15%	15%
Life Insurance	19%	19%	12%	15%
Company Car	12%	4%	4%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 3

DEALERS: $1-$2.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
President/Owner	$33,080	$23,330	$46,830
General Manager	32,000	6,000	34,000
Sales Manager	25,840	17,000	27,730
F & I Manager	21,600	‡	21,600
Service Manager	21,460	2,000	21,860
Parts Manager	13,570	†	13,690
Line Mechanic	16,460	1,500	16,760
Clerk	13,200	2,000	13,490
Lot staff	12,990	‡	19,990

	Commission Rate†	Salary	Total Compensation
Salesperson	18%	$10,400	$29,950

†*of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Equity	6%	0%	0%	0%
Medical Insurance	53%	41%	35%	35%
Pension	6%	6%	6%	6%
Life Insurance	6%	6%	6%	6%
Company Car	12%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 6

SUPPLIERS: $2-$8.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$71,000	$35,000	$98,611
President	60,970	39,944	83,420
Director of Marketing	42,345	5,333	46,345
Sales Manager	35,600	21,142	52,044
R & D Director	36,000	20,000	42,666
Purchasing Director	26,740	3,620	28,611
Manufacturing Director	41,993	11,625	48,910
Plant Supervisor	25,610	10,016	35,812
Production-Line Supervisor	19,471	2,125	20,685
Production-Line Worker	12,122	1,920	12,666

	Commission Rate†	Salary	Total Compensation*
Salesperson	3%	$24,831	$53,135

†*of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	100%	93%	73%	93%
Pension	33%	27%	20%	27%
Life Insurance	20%	20%	13%	7%
Company Car	7%	0%	7%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 7

SUPPLIERS: $9-$20.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$170,877	$30,000	$184,877
President	99,632	41,000	120,132
Director of Marketing	53,100	18,666	64,300
Sales Manager	46,889	14,000	55,299
R & D Director	37,815	13,000	46,481
Purchasing Director	44,693	12,625	52,268
Manufacturing Director	56,288	18,600	67,448
Plant Supervisor	33,253	17,750	42,128
Production-Line Supervisor	20,592	4,000	22,259
Production-Line Worker	13,278	750	13,528

	Commission Rate†	Salary	Total Compensation*
Salesperson	3%	$31,650	$46,600

†*of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	100%	100%	100%	100%
Pension	16%	16%	16%	16%
Life Insurance	16%	0%	0%	0%
Company Car	16%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Bias also exists, which is the error induced by respondents who, for whatever reasons, may not have been completely accurate in their report. We tried to cull the bad questionnaires—the ones that clearly contained erroneous data. These were few and presumably were caused by misunderstanding, not malicious intent. Both random error and some bias are inevitably still in our data, but they are unlikely to be large.

Some important factors must be considered while studying the accompanying tables. For instance, the numbers reported by the survey respondents varied considerably. A president's salary for a dealership with $1.0 million to $2.9 million in annual sales averaged $46,830 in total compensation. But the actual figures from which that average was determined varied from a low of $15,000 to a high of $58,000.

Job classifications were narrowly defined. In contrast, the actual responsibilities for a given position can vary from company to company.

The bonus data is based on only the respondents reporting bonuses. Hence, the total compensation does not equal salaries plus bonuses.

How can you use this information effectively in business?

First consider the data in terms of the entire material compensation package received by each of your employees. This

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Table 4

DEALERS: $3-$7.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
President/Owner	$61,080	$18,000	$68,200
General Manager	37,530	14,000	44,800
Sales Manager	26,250	13,000	27,750
F & I Manager	†	†	†
Service Manager	19,960	9,300	27,230
Parts Manager	19,000	11,750	24,880
Line Mechanic	17,300	1,000	17,550
Clerk	11,450	‡	11,450
Lot staff	12,000	‡	12,000

	Commission Rate[1]	Salary	Total Compensation
Salesperson	20%	$ 7,800	$29,670

[1]*of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Equity	0%	0%	0%	0%
Medical Insurance	70%	70%	70%	70%
Pension	17%	17%	17%	17%
Life Insurance	17%	17%	17%	17%
Company Car	0%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 5

SUPPLIERS: UNDER $2 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$59,967	$15,000	$67,467
President	53,656	13,000	56,544
Director of Marketing	33,080	4,600	34,920
Sales Manager	32,350	5,300	34,117
R & D Director	30,000	‡	30,000
Purchasing Director	24,592	1,500	24,792
Manufacturing Director	33,714	3,783	37,479
Plant Supervisor	25,870	5,000	26,370
Production-Line Supervisor	18,101	1,470	18,574
Production-Line Worker	13,677	913	14,599

‡ *No data reported.*

	Commission Rate[1]	Salary	Total Compensation
Salesperson	7%	$30,000	$23,270

[1]*of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	84%	84%	37%	79%
Pension	42%	37%	21%	37%
Life Insurance	36%	32%	16%	26%
Company Car	21%	5%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 8

SUPPLIERS: $21-$49.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$163,125	$45,000	$270,000
President	158,667	60,000	198,667
Director of Marketing	54,100	20,600	74,700
Sales Manager	51,600	35,000	69,100
R & D Director	41,350	20,000	51,350
Purchasing Director	44,120	24,000	58,520
Manufacturing Director	51,050	21,250	69,800
Plant Supervisor	29,000	5,000	32,750
Production-Line Supervisor	18,667	2,900	20,600
Production-Line Worker	11,924	400	12,004

	Commission Rate[1]	Salary	Total Compensation*
Salesperson	4.19%	$28,025	$73,667

[1]*of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	71%	71%	71%	71%
Pension	14%	14%	14%	14%
Life Insurance	0%	0%	0%	0%
Company Car	14%	14%	14%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 9

SUPPLIERS: $50+ MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$99,000	$56,250	$155,250
President	93,000	36,000	129,000
Director of Marketing	67,558	20,166	84,844
Sales Manager	46,167	6,450	51,696
R & D Director	53,795	2,400	54,395
Purchasing Director	41,731	4,667	44,064
Manufacturing Director	57,941	6,933	61,101
Plant Supervisor	28,571	3,250	34,285
Production-Line Supervisor	23,227	1,125	23,870
Production-Line Worker	18,413	538	18,592

	Commission Rate[1]	Salary	Total Compensation*
Salesperson	3.09%	$23,380	$65,200

[1]*of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	78%	78%	56%	89%
Pension	67%	67%	44%	44%
Life Insurance	44%	44%	33%	33%
Company Car	0%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

† *Inadequate data supplied* ‡ *No data supplied*

would include salary, bonus or commission, paid vacation and sick leave, medical and life insurance, and such perks as a company car and the personal use of such company assets as a recreational vehicle.

Then tally your material compensation package and compare it with the sum of the compensation elements in the table appropriate for your company. A small adjustment of regional differences may be necessary. For example, a California firm might be expected to pay more than a comparable firm in Mississippi. Regional business practices and differences in the cost of living justify such differentials.

If the package is within 15 percent of the average, then your company is "in the ball park." If not, there may be a problem requiring further study.

How compensation is allocated is important. For instance, should more resources be shifted away from salaries and into incentives? Should incentives apply to everyone in the firm, including clerical help and assembly-line personnel? Should more emphasis be placed on compensation components that are tax-free to employees, such as better insurance coverage? In summary, can more mileage be obtained from the money your company currently spends on employee compensation?

If changes in your company's compensation program are determined to be in order, it is wise to give thought to including your employees—especially the managers—in the compensation design process. Their ideas are valuable and should be solicited. For instance, ask your people if they'd prefer better health insurance at the expense of a lower salary. And, once the new plan is in place, explain it to your employees. They will be especially interested in knowing how the plan was determined and how they can make more money through advancement or through more productivity in their current position.

Additional compensation data is available at local state employment offices and libraries. Broad-based business publications, such as *Inc.* and *Sales and Marketing Management*, periodically publish salary data. We recommend that a couple of these other sources be investigated in addition to the material presented here before any radical changes are made in your company's compensation plan. Then, it is wise to carefully review that plan annually. *RV Business* will be there to assist with your *next* annual salary survey. Δ

Table 10

MANUFACTURERS: UNDER $5 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$48,512	$ 9,360	$54,362
President	47,108	10,200	54,716
Director of Marketing	35,037	12,521	45,993
Sales Manager	28,571	5,300	31,600
R & D Director	20,000	‡	20,000
Purchasing Director	20,189	7,867	22,334
Manufacturing Director	30,050	8,215	32,788
Plant Supervisor	24,939	4,942	25,924
Production-Line Supervisor	19,249	1,772	20,219
Production-Line Worker	15,061	3,470	15,653

‡ *No data reported*

	Commission Rate[1]	Salary	Total Compensation*
Salesperson	2.25%	$11,322	$28,523

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	72%	72%	45%	59%
Pension	9%	5%	0%	0%
Life Insurance	18%	23%	9%	23%
Company Car	14%	5%	5%	0%

* *Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*
† *Inadequate data supplied* ‡ *No data supplied*

Table 11

MANUFACTURERS: $5-$14.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$71,300	$42,428	$101,250
President	72,333	40,000	92,333
Director of Marketing	36,333	24,883	62,866
Sales Manager	36,769	8,200	50,800
R & D Director	24,950	5,400	27,675
Purchasing Director	29,485	6,714	33,100
Manufacturing Director	39,755	9,166	46,650
Plant Supervisor	32,300	11,272	40,069
Production-Line Supervisor	22,756	4,756	23,317
Production-Line Worker	15,958	2,609	16,670

	Commission Rate[1]	Salary	Total Compensation*
Salesperson	4.5%	$20,890	$39,908

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	93%	93%	93%	73%
Pension	33%	33%	20%	27%
Life Insurance	20%	20%	20%	20%
Company Car	13%	7%	7%	0%

* *Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 12

MANUFACTURERS: $15-$100+ MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	Bonus	Total Compensation*
CEO	$114,444	$82,956	$196,733
President	111,153	76,125	161,903
Director of Marketing	60,444	33,843	77,690
Sales Manager	41,000	35,000	63,000
R & D Director	55,500	17,450	64,225
Purchasing Director	37,950	9,667	44,468
Manufacturing Director	56,118	25,727	71,693
Plant Supervisor	32,958	9,043	39,243
Production-Line Supervisor	23,763	5,227	27,468
Production-Line Worker	12,149	4,933	14,762

	Commission Rate[1]	Salary	Total Compensation
Salesperson	1%	$24,090	$46,100

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	Salaried	Sales	Hourly
Medical Insurance	89%	89%	78%	78%
Pension	44%	44%	44%	44%
Life Insurance	56%	56%	56%	56%
Company Car	22%	0%	11%	0%

* *Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*